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April 20, 2015

APR 28 2015

AZ CORP COMM  
Director - Utilities

Arizona Corporation Commission

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Re: Granite Mountain Water Co. Application for Rate Increase, Docket # W-02467A-14-0230

To AZ Corporation Commissioners:

AZ CORP COMM  
DOCKET CONTROL

It is no surprise that Mr. Levie's Granite Mountain Water Co. wants to increase its rates. The last two phases of Granite Mountain Homesites are now being sold and need to be supplied water. These are the more exclusive sites near the top of the hills facing Granite Mountain which will require a creative means of providing water in this rugged area.

We have been on Mr. Levie's Granite Mountain Water Co. (GMWC) since September 2009. The GMWC Rate schedule dated December 1, 1994 on file with the ACC, states a fee of \$555 for Service Line & Meter Installation for a one inch meter. However, at that time four of the eight families on our block had to pay \$25,000 to have the service line installed on our block which connected to the main pipe on Rainmaker. GWMC waived the \$555. Running the water line from the meter to the residence was of course our expense.

Hence, even though the CC&R's for Equestrian Estates, the lower first development, states that there would be a guaranteed 99 year supply of water, each residence as the need arose was required to supply the necessary pipeline to access the main water pipe on Rainmaker. A one inch meter was installed for which we were charged a monthly usage fee of \$56.25 from September 2009 through August 2010 totaling \$675.00 at which time ACC granted a rate increase to \$62.50 per month. For the period September 2010 through April 2015 this amounted to an additional \$3,437.50; a total of \$4,112.50 for the "use" of a one inch meter. I am curious to know 1) the cost to maintain the meter; 2) the cost to read the meter; 3) the cost to replace the meter; and if it fails, must the individual or the company pay for replacement? It appears to this customer that GWMC has a steady accumulation of funds simply from the monthly meter usage fee.

I located one water statement from 7/31/2014 where our usage was 6,180 gallons. The water bill was \$103.29 before the county tax of \$7.59 and surcharge of \$0.11. This was the bill nearest the example GMWC offers for its rate increase proposal. The rate we have been paying for water, less meter fees, has been \$6.60 per 1000 gallons. It appears GWMC is now seeking to set the rate at \$10.49 per 1000 gallons. So what GWMC states to be an increase to \$93.01 per month, if tied to the most commonly used meter size of one inch at a monthly rate of \$62.50, gives the user a monthly bill of \$155.51 plus tax and surcharge. This is a devastating increase to those of us who have lived in this community for 20 - 40 years and are now on fixed incomes as well as to those younger living and supporting their families.

It is this user's belief and opinion that the requested rate increase by GWMC is more for the purpose of raising revenues in order to build supply lines and infrastructure to the currently marketed lots (selling for \$250,000; that is the lot only). It is this user's belief and opinion that the purchasers of those prestige lots should bear the cost of those improvements just as we "lowlanders" had to for our properties.

Please be skeptical when you consider this rate increase request. Thank you,  
Lynn Steely and Dana Steely, 6667 N Odell Drive, Prescott, AZ 86305

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